

Owner-Operators – Are you a Lessor or a Common/Contract Carrier?

Lessor

Control and use of the vehicle is determined by the lessee **and** the vehicle is leased 100% of the time (no other use). In this situation, the following are common:

- The lessee has the agreement with the shipper to transport the product;
- The lessee's license plates are on the vehicle (or for owner-operators, the lessor may obtain the plate in their name);
- The lessee's federally-required USDOT or MC operating authority number is placed on the vehicle;
- The lessee's name is on the vehicle; and
- The lessor operates under the lessee's federal or Nebraska PCS operating authority – if required.

All lessors must...

- obtain a Nebraska Sales Tax Permit by filing a [Form 20](#), Nebraska Tax Application.
- collect sales tax from their lessees, **unless** vehicles are leased to a common or contract carrier that has given the lessor a **properly completed** [Form 13](#), Nebraska Resale and Exempt Sale Certificate, Section B, Category 4.
- file a [Form 10](#), Nebraska and Local Sales and Use Tax Return. This return **must** be filed by the due date, whether or not there is tax due.

Tax Exempt Purchases. You may purchase the vehicle and any repair or replacement parts for the leased vehicle tax exempt. When making tax exempt purchases of repair and replacement parts, you must give a properly completed Form 13, Section A, to the Nebraska seller. Additional tax exempt purchases are listed in the Leased Motor Vehicle information guide and in Sales and Use Tax [Regulation 1-019](#).

Common/Contract Carrier

The vehicle is used more than 50% of the time to transport the goods of others, or passengers, for hire. In this situation, the following are common:

- You obtain your own loads to transport the goods of others for hire;
- Your license plates are on the vehicle;
- Your federally-required USDOT or MC operating authority number is placed on the vehicle;
- Your name is on the vehicle; and
- You hold your own federal or Nebraska PSC authority – if required.

All Common/Contract Carriers must...

- obtain a Nebraska Common/Contract Carrier Exemption Certificate by filing a [Form 5](#), Nebraska Exemption Application for Common or Contract Carrier's Sales and Use Tax.
- renew this certificate every five years. The Nebraska Department of Revenue will send you a renewal notice.

Tax Exempt Purchases. You may purchase the vehicle, any repair or replacement parts, and accessories for the vehicle tax exempt. When making tax exempt purchases of repair and replacement parts, you must give a [Form 13](#), Nebraska Resale and Exempt Sale Certificate, Section B, Category 4, to the Nebraska seller. Additional tax exempt purchases are listed in the Common or Contract Carrier information guide and in Sales and Use Tax [Regulation 1-069](#).

Note: A personal vehicle or parts vehicle cannot be purchased tax exempt using the Nebraska Common or Contract Carrier Exemption Certificate.